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ABSTRACT

Some predictions are offered about the future ability of public education to attract resources. First, measures of how well education has done in the past are reported, then education's performance is compared to that of other public functions, and, finally, an analysis of the values, economic conditions, and political alignments that were associated with these outcomes is presented. Using this information, the author attempts to look into the future of education. Major findings indicate that although education enjoyed remarkable growth from the early 1950s to the late 1960s it is now viewed by many as having declining national importance. This has been brought about by the decline in school enrollments and the growing public support for other public functions, the lack of relationship between expenditures for education and student achievement, and the economic problems and the decline in real growth that now afflict the country. The author suggests that judicial rather than legislative actions will cause any increase in funding for education beyond that suggested by his political analysis. In the future, education's political strength will be least effective at the federal and local levels and most effective at the State level. (Author/DN)

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THE POLITICS AND ECONOMICS OF THE FUTURE FINANCING OF PUBLIC EDUCATION

presented
by

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to

The 1974 Institute for Chief
State School Officers

Jackson Hole, Wyoming

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Introduction and Conclusions

My assignment today, as I understand it, is to make some guesses about the future ability of public education (primarily elementary and secondary) to attract resources. Although the accuracy record of such predictions does not justify much confidence, the exercise undertaken to reach them may provide some useful information. Carefully done, such an analysis may increase understanding of the current situation and the political, economic and social forces which created it. Sensible guesses based on whether those forces will be operative in the future and, more importantly, how emerging conditions may alter them to produce a "different" future will provide a framework for isolating and discussing the factors which may determine that future.

This task requires reporting first on measures of how well education has done, then a comparison of education's performance to that of other public functions, and finally an analysis of the values, economic conditions and political alignments which were associated with these outcomes. Using this information a look into the future will be attempted. Already emerging patterns of behavior will be relied upon to help substantiate the guesses made.

Beginning at the end, the generalizations about the past and future this analysis produces are:

1. By any measure used education has been remarkably successful since 1950 in

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increasing its share of the country's resources, a success only partly explained by growing school enrollments.

2. This record is partially explained by the belief of parents in the importance of education to their children's long-run well-being and the translation of this belief into political support.
3. The substantial increase in total resources for education plus civil rights, racial and poverty concerns caused a shift in the concern of students of education finance away from the adequacy of total education resources to equity in their allocation.
4. Substantial economic growth in the post World War II period made the allocation of increased resources to education and other public functions relatively painless for the middle and upper income segments of American society.
5. Research in the 1950's stressed the great contribution education made to the economy's productivity and to the relation of total life earnings to the amount of education received.

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6. Research during the late 60's and early 70's found little relationship between expenditures for education and student achievement, thereby reducing public support for increased educational expenditures.
7. Declining school enrollments and growing public support for other public functions; services for the elderly, protection of the environment, national health insurance and even mass transit are already weakening education's competitive position.
8. The economic malaise which currently afflicts the country and the long-term possibility of a decline in ecomomic growth will impact education more than most other functions of government.
9. The extent that resources for education will be increased more than political analysis suggests will result from judicial rather than legislative actions.
10. As among levels of governments, education will possess least political strength at the federal and local levels and most at the state.

The following analysis provdes varying degrees of

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support for these propositions, most for the description of the current situation and least for those which are dependent on predicting the country's economic future.

Education: A Story of Growth

By all financial and fiscal measures education has done well since World War II. Whether measured as a proportion of gross national product, of personal income or of all public expenditures, education has grown proportionately more than the total economy, more than the total public sector and more than personal income.

Table I

EDUCATION EXPENDITURES AS A PROPORTION OF GROSS NATIONAL PRODUCT: 1950 to 1973

	All Expenditures for Education	Public Expenditures for Education	Public Expenditures for Elementary & Secondary
1950	3.4 %	2.5 %	2.0 %
1960	5.1 %	3.9 %	3.1 %
1970	7.5 %	5.8 %	5.2 %
1971	7.9 %	6.0 %	4.3 %
1972	8.0 %	6.0 %	4.7 %
1973 (est.)	7.8 %	6.4 %	4.5 %

As a proportion of gross national product total expenditures for education increased from 3.4 percent in 1950 to 7.8 percent in 1973, thus more than doubling its share of the nation's total production. It is interesting to note, however, that the peak was reached in 1972 when it stood at 8 percent. The decline began earlier for public elementary

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and secondary education, which reached a peak of 5.2 percent in 1970.

While education was more than doubling its share of gross national product, the total public sector was growing more rapidly than total economic growth, but not as rapidly as education. From 1946 to 1971 government expenditures grew from 21.8 percent to 32.6 percent of GNP, while public education expenditures increased from 2.5 percent to 6.0 percent, a 53 percent increase for the total public sector, but a 140 percent increase for education.

Table II

GOVERNMENT EXPENDITURES AS A PERCENT OF GROSS NATIONAL PRODUCT

	Total	Defense	Non-Defense	Education
1950	21.3%	5.0%	16.3%	2.5%
1960	27.0%	8.9%	18.1%	3.9%
1970	32.2%	7.7%	24.5%	5.8%
1971	32.6%	6.8%	25.8%	6.0%

The same pattern of an increasing share for education can be shown by relating it to per capita income. On the average during the sixties an increase of 1.0 percent in per capita income was associated with a 1.25 percent increase in per pupil outlays for education.

For the decade 1962-63 to 1972-73 total expenditures for public schools increased from 15.8 to 43.5 billion dollars. In constant dollars (1972-73) the increase was from 22.2 to 43.5 billion - nearly a doubling. For that same period average

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daily attendance increased from 35,882,000 to 42,400,00 - an increase of eighteen percent. Per pupil in average daily attendance costs increased from $439 to $1,026 and in constant dollars the increase was from $618 to $1,026, a 66 percent increase.

Relative Shares by Level of Government

Since the great bulk of public revenues for education are raised from the state and local parts of the governmental system, it is not surprising that the proportion of total state-local expenditures used for education increased substantially during the past quarter century. The federal government played an insignificant role in financing elementary and secondary education until the mid-sixties with the passage of the Elementary and Secondary Education Act. Even with the passage of this legislation the federal role reached a peak in 1972-73 when federal expenditures equaled only 7.7 percent of total elementary and secondary education experditures. The state role climbed to nearly 40 percent by 1950, dropped to approximately 35 in 1960, and then began another climb reaching 41 in 1972. The local proportion was 57.3 percent in 1950 and had declined by 6.0 percent to 51.2 percent in 1972.

Table III
PROPORTION OF REVENUE FOR
ELEMENTARY AND SECONDARY EDUCATION
BY GOVERNMENT SOURCE

	Local	State	Federal
1950	57.3 %	39.8 %	2.9 %
1960	59.2 %	35.6 %	4.9 %
1965	57.4 %	37.8 %	4.5 %
1970	54.1 %	37.9 %	7.6 %
1972	51.2 %	41.0 %	7.7 %

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Overall the significance of these relative shares is their fairly small change. The increase in the federal share, small as it is, undoubtedly aided education in maintaining its growth rate and may have delayed the downturn in education's proportion of the Gross National Product. It does not account, however, for education's proportionate growth in resource use over the past few decades.

Accounting for the Increase

Since neither enrollment increases, nor price level changes, nor shifts in fiscal responsibility from one to another level of government provides sufficient explanation for education's fiscal performance the explanation must be sought elsewhere. The first step is to determine the purposes for which the increased money was used. A recent Brookings' study tries to do exactly that. [1].

It attributes about one-quarter of the increase to growth in school enrollment and the remainder to increases in expenditures per pupil. Of this increase two-thirds is accounted for by an increase in the amount spent for teachers and other instructional personnel. These increases permitted a drop in pupils per teacher from 26 to 22 (not necessarily representing a decline in class size) and the number of pupils per "other instructional personnel" from 325 to 160.

About 80 percent of the cost increase per pupil for instructional personnel resulted from salary and benefit improvements. Average annual salaries increased by 90 percent for teachers over the twelve year period 1958-59 to 1970-71,

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and by 100 percent for other instructional personnel. For this same period the average U. S. worker's earnings increased by 74 percent.

Table IV

PUBLIC SCHOOL EXPENDITURES PER PUPIL, BY PURPOSE
1970-71 SCHOOL YEAR, AND INCREASE OVER 1957-59 AVERAGE

Purpose	1970-71 School Year Amount Dollars	Percentage of total	Percentage Increase Over 1957-59	Percentage Contribution to Increase
Administrative and miscellaneous services	63	7	236	8
Salaries and fringe benefits of instructional personnel	554	64	162	64
Other instructional services	38	4	209	5
Plant operation and maintenance	90	10	129	10
Transportation	32	4	157	4
Capital outlays and debt service	90	10	124	9
All purposes	867	100	159	100

Source: Reforming School Finance by Robert D. Reischauer and Robert W. Hartman, page. 18.

Why this greater than average increase for teachers? Some have suggested that it represents a "catching up" of teachers' pay with salaries in other fields requiring a similar amount of education, others attribute it to increasing unionization and militancy, while still others argue that it is a product of a teacher shortage - a shortage which probably existed until about 1968.

The Brookings' study suggests that unionization and collective bargaining may have boosted teacher compensation nationally by only five percent over what it otherwise would have been.[2] Obviously the impact was greater in some districts than others. The inadequacy of supply explanation will soon be tested since that inadequacy for most fields is disappearing.

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Perhaps more important than all of these measurable causes for the increase was the public's willingness to pay more for education. The parents of the population boom of the fifties and early sixties were children of the depression, tremendously concerned for the economic security of their children. Many, probably most, believed the surest guarantee of that security was a good education. Many had little or no college training themselves and were determined their children would not suffer that supposed disadvantage. A college education required a good elementary and secondary education.

To acquire such an education caused many to move to the suburbs, even though their jobs remained in the city, for it was believed that those new school buildings with their campus-like surroundings were the right setting for the right kind of education. To oppose school budgets or to vote "no" on bond referenda was seen by many as a vote against one's children - a point of view not discouraged by superintendents, principals, teachers and school boards.

One measure of this attitude is the approval rate for school bond issues. Over 70 percent of such issues were approved in the early and mid-sixties, then a drop off began with the proportion approved dropping to less than half in the early seventies, recovering to just over half in 1972-73.

The increase in the rejection rate of bond issues was followed by the dowturn in 1971 of the proportion of gross national product devoted to elementary and secondary education. In part these reversals of past behavior are related to the

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first stages of an enrollment decline as the declining birth rates of the late sixties began to be felt by the schools.

Table V

PERCENT OF SCHOOL BOND ISSUES AND VALUE APPROVED
1962 - 63 to 1972 - 73

	Percent of Referendum Approval	Percent of Value Approved
1962-63	72.4	69.6
1963-64	72.5	71.1
1964-65	74.7	79.4
1965-66	72.5	74.5
1966-67	66.6	69.2
1967-68	67.6	62.5
1968-69	56.8	43.6
1969-70	53.2	49.5
1970-71	46.7	41.4
1971-72	47.0	44.4
1972-73	56.5	56.6

Enrollment Decline Begins

The decline in the birth rate in the United States over the past few years is a much noted and discussed phenomenon. While the "whys" of the decline are debated the decrease continues and one of its most immediate effects is obviously fewer school children. How such an enrollment decline will affect education resources is not self-evident. A plausible case could be made that the decline in resources measured in real

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terms will be less than the enrollment decline. The slowness of public policy responses to changing conditions, built-in overhead costs, bureaucratic instransigence, and the unionization of teachers all support such an interpretation. In contrast, if the decline in enrollment is accompanied by a decline in the political strength of education just the opposite outcome, a decline in resources greater than the enrollment decrease, will result.

Before speculating about those possible political implications it may be useful to get some feel for the numbers. The decline in the annual increase in population began in 1960, the decline slowed from 1968 to 1970, but resumed after 1970. The Census Bureau predicts future population on the basis of a variety of assumptions using different average number of child births for a woman upon completion of her childbearing years. Until recently they used four such series (B, C, D and E) with rates of 3.1, 2.8, 2.5 and 2.1. The last figure, 2.1, is exactly replacive and therefore represents an eventual "zero population growth." Even this figure, however, is higher than the current birth rate and the Census Bureau has established a new series (F) which uses 1.8 births per woman. Even this series produces greater population growth than a straight line projection of the current birth rate. Peak population would be about 270 million if the F series assumption is used, while the peak will be only 226 million contrasted to today's 213 million if the current birth rate continues.

The long-run implications of this slowdown in population

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growth are but dimly perceived and extend, of course, to many aspects of American life other than education. An increase in the proportion of the population which is dependent, a shift in goods and services produced, a possible slowdown in economic growth, are but a few of the possible outcomes.

Perhaps, however, the education community will be affected first and most visibly. The enrollment decline for elementary education has already begun, will soon shift to the high schools and then to the colleges and universities. The decline may be a bit tempered by a gradual shift of private school pupils into public schools but that impact in national terms will be small, even though it will be substantial in a few school districts.

Examining population decline by age, the five to thirteen age group began its decline in 1972, dropping from 35,852,000 to 35,114,000; and by 1983 (using the Census Bureau Series E projection) will be 31,549,000 - a decline of over four million. For the fourteen to seventeen age group the decline begins in 1975 after peaking in 1974 at 16,813,000 and declining (under the Series E assumptions) to 13,996,000 in 1983, a decline of nearly 3 million, or 17 percent.

Table VI

POPULATION PROJECTIONS FOR U.S. 1970 TO !(*#
(Census Bureau Series E and F)

	Ages 5 to 13		Ages 14 to 17
	E (000)	F (000)	E (000)
1970	36,453		15,978
1975	33,095		16,797
1980	30,804	30,191	15,362
1983	31,549	29,981	13,996

Translating these population figures into school enrollment is complicated only by the movement of pupils from private to public schools and by the retention rate of the schools. A continuing movement out of private schools and a gradual increase in the retention rate, and on the basis of the Series E projections, total enrollment will decline for elementary and secondary schools from the high in 1971 of 46,081,000 to 40,800,000 in 1982. Using Series F the decline will be to 39,700,000, a fourteen percent drop.

Table VII

PROJECTED PUBLIC SCHOOL ENROLLMENT K - 12
1970 to 1982 (Census Bureau Series E and F)

	Series E (000)	Series F (000)
1970	45,909	45,909
1975	45,500	44,500
1980	41,400	40,700
1982	40,800	39,700

Projecting Costs

Projecting enrollments is easy compared to guessing their impact on school expenditures, and particularly is this true at a time of great economic uncertainty. Others, however, have tried to make such projections and their guesses are worth examining.

Total public expenditures for elementary and secondary education are predicted to be 64.1 billion dollars (in constand dollars) in 1982-83. This contrasts with expenditures

of 51.9 billion in 1972-73 - an increase of 23 percent, while the increase for the previous decade was 78 percent.[4] Since enrollment during this period will decline, real expenditure per pupil will increase by a percentage greater than that for total growth (1,026 to 1,446 dollars, or a 40 percent increase). It assumes an increase of 23 percent in teacher salaries from 10,600 to 13,000 dollars (again in constant 1972-73 dollars).

These projections assume that education expenditures as measured by per pupil expenditures will increase in the future about as they have in the past. Is this assumption of continued prosperity for education a fair one?

Projections of future state, local and federal revenues would suggest it is. Using assumptions for education expenditures not drastically different from those of the Dept. of HEW, The Tax Foundation, taking increases for all public functions into account, projects at current tax rates a state-local surplus in 1980 of 5.5 billion dollars.[5] Federal revenue projections are also optimistic in full employment terms with the American Enterprise Institute predicting a full employment surplus of 57.3 billion in 1980.[6]

Are there other reasons to assume that education will be in a position over the next decade to continue to grow more rapidly than the country's total economic growth? The enrollment projections would suggest not. The demands, judicial and political, for greater equity in financing education could exert considerable upward pressure on educational expenditures.

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As state courts require greater equality in such expenditures a leveling up may be required. To project what this might cost is not easy, but David Ott of the American Enterprise Association has tried.[7] If every state increased its per pupil expenditure to 90 percent of the highest district per pupil costs in the state, the cost to state and local governments in 1969-70 would have been seven billion dollars, or about 29 percent of the current education expenditures by state and local government for that year. This figure would increase to 13.2 billion by 1981 - considerably more than the total state-local budget surplus of 5.5 billion predicted for that year, but if federal surplus projections are realistic federal aid might fill the gap.[8]

The Role of Economic Growth

All of these projections are based on assumptions drawn from past behavior. Perhaps no aspect of this is more important than the assumption of continued economic growth. Economic growth is particularly important when guesses are being made about the future of public programs.

To extract resources from the economy for any public purpose is likely to be easier when an economy is growing than when it is stagnant. This generalization applies to all public sector activities, but with special force to education, since the average taxpayer plays a larger role in determining local budgets for education than for other public services. In addition, expenditures for education are probably more controllable than expenditures with built-in commitments such as

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interest on debt, income maintance, and other entitlement programs.

The American economy at the moment is not growing. Further, it is characterized by high levels of inflation and unemployment. These characteristics of the current economy are much commented upon in both academic and popular journals. Much is made of the fact that modern economics does not contain any very satisfactory explanation for these conditions. Traditional monetary and fiscal tools are difficult to apply because the combined phenomena of unemployment and inflation suggest exactly opposite applications. The current result is a monetary policy designed to fight inflation while fiscal policy, although uncertain in its impact, is generally believed to be having an expansionist influence.

Economists and other students of the economy differ as to whether the current conditions represent a long-term behavioral pattern or a short-term one which will correct itself. The short-term champions put great emphasis on the particular events of the past few years. These include the bad weather of last year which caused a shortage in agricultural production, the Middle-East situation which led to both higher oil prices and a supply shortage, a supply shortage of other basic commodities, and a catching up of the demand created by very large scale military expenditures made over the past couple of decades. Jesse Burkhead explains this situation as ". . . the possibility advanced by critics of the military-industrial complex that the worldwide increases

in military expenditures of the last twenty-five years have finally caught up with us. Military outlays do, of course, add to income but not to product that can be consumed by households, nor do they add very much to long-run increases in productivity. Thus the worldwide growth of the military as a proportion of total activity could help to explain inflation . . ."[9]

Whether, in fact, these phenomena are short-run is debatable. There are those who argue that the shortage of commodities is not short-term but rather a product of the world's consumption beginning to exhaust such commodities. Further, there is no evidence that the rate of expenditures for military purposes is about to decline nor that the additional demand for non-military goods and services produced by those expenditures will be offset by appropriate fiscal policy.

Quite apart from these debatable short-term influences are some characteristics of contemporary economies which suggest there are long-term forces at play which will contribute to continuing inflation and, more importantly, to a slowdown in economic growth. The first of these, discussed long before the current problems of the economy, is the structural shift in developed economies from employment in high productivity sectors (such as manufacturing and agriculture) to low productivity sectors (such as public employment and services). If economies do continue their much greater growth

in provision of services than in goods production, and if productivity increases are more difficult to accomplish in this sector, the result is inevitably a slower growing economy. Further, if this slower increase in service productivity is accompanied by wage increases comparable to the goods producing sector, the result will be permanent price inflation.

Another long-range concern is the impact of higher levels of economic activity, particularly industrial activity, on the environment. Only in recent years has its deleterious effect been generally recognized. To the extent that these impacts are offset by measures to protect the environment, the inevitable result will be slower growth in the economy - slower, at least, by the measures which have been traditionally used to measure it.

Environmental deterioration has led to even more dire predictions than simply a slow down in economic growth, some arguing that the climate will be sufficiently affected to make human life on earth undesirable if not impossible. Some scholars as a result have been led, perhaps most notably Robert Heilbroner, to argue that democratic decision making must be abandonned.[10]

Another characteristic of the economy leading to higher unemployment is the relationship of labor supply to labor demand. As an economy becomes more sophisticated there is a substantial increase in demand for skilled labor, with

a lessening need for the unskilled. The result is a slackening in the demand for unskilled labor combined with an apparent inability of the education system and manpower training programs to provide the necessary skills, thereby driving up wage rates for the skilled but creating a higher level of unemployment for the unskilled. In the terminology of the economist, the Phillips curve,[11] a curve which attempts to show the trade off between inflation and unemployment, has shifted to the right thereby requiring a much higher level of unemployment if inflation is to be controlled. An unemployment level of four percent, for example, is inevitably inflationary because of the stress this puts on the labor market for skilled labor without simultaneously supplying sufficient opportunities for unskilled labor.

This phenomenon is not unrelated to the explanation by Galbraith for the simultaneous existence of inflation and unemployment. He has argued that it is the coexistence of oligopoly price fixing and trade union behavior which has driven up the price of labor and the price of goods and services without simultaneously increasing employment opportunities.[12]

Whether the current situation will right itself in a few years with upward growth resuming is not known. Nevertheless, it would be foolhardy to suggest that there will be any suddent turn around. Further, the long-run significance of a shift to a service economy and the impact of environmental

controls on production seem very likely to have a continuing and depressing impact on economic growth even if their contribution to inflation and/or unemployment are controlled.

Education's Political Strength

Assuming a slowdown in economic growth, the competition for resources among public activities will become keener. In a situation of slow economic growth any substantial increase in resources cannot come entirely from more successfully competing for a larger share of the growth increment, but must come from resistribution of already allocated resources. If some gain, others must lose.

The possibility of such a redistribution depends on the relative political strength of education. Past performance suggests that it has had a comparative advantage. Are there reasons to believe this advantage is being lost?

Among the reasons suggesting it might be is the changing age composition of the population. As more and more people become senior citizens, the demand for increasing resources for the elderly is bound to become greater. There is, in fact, great concern today about the adequacy of the current social security system to respond to these increased demands. In 1955 seven workers paid social security taxes for each person collecting benefits; today it is three for every one, and within the next couple of decades it will be only two for every one. The maximum monthly benefit in 1955 was $98.50, today it is $304.90, and by the year 2000 at current

rates of increase it will be $1,376.50. It seems inevitable that this situation will require either a change in how social security is financed, or a substantial increase in payroll taxes or a raising of the income levels against which these taxes are levied.

This changing age composition of the population will not only reflect itself in the actions of Congress regarding social security, but in many other areas as well. Further, in many school districts, as the aged portion of the population increases, the responsiveness of the local constituency to education need is likely to become less and less favorable.

There is also evidence that environmental issues possess greater political strength, particularly at the federal level, than does education. There has been a very sharp increase in expenditures for environment in the past few years, and, on the whole, there appears to be a very substantial middle class constituency supportive of increasing these expenditures. Whether shortages of energy will cause some slackening in this support is uncertain, but the evidence to date is that concern for the environment remains strong and politically healthy.

The provision of health services has also recently reached the stage of serious Congressional consideration and it appears likely that a major national health program will be adopted by the current Congress. The resources required for this activity, even if substantial amounts are simply a transfer from the private to the public sector, will undoubtedly

dampen the willingness of Congress to provide funds for other domestic activities.

Mass transit, too, has recently gained in political strength and is likely to remain strong, particularly if energy remains a serious problem; price increases being as important as supply shortages.

These competing functions; aid for the elderly, health services, environmental control and mass transit, are likely to possess their greatest strength at the federal level. They are already heavily supported by that level of government and the interest groups most involved tend to be more oriented to the federal government than to state and local governments.

Comparing 1972 federal obligations for education to 1975, education would have needed an increase in federal obligations of 1,710 million dollars to hold its 1972 level. In fact education received only 283 million additional dollars, thereby losing in real terms 11.9 percent of its 1972 level. Of domestic programs, only community development and manpower did worse, while income maintenance and transit, to name two, did substantially better.

School Politics at the Local Level

Of importance to understanding the relative strength of education at the local level is the political culture in which it is conducted. Every activity of government - police, fire, sanitation, health, etc. operates in its own political environment. But perhaps more than any other function, education has carved out for itself a special place in the American

governmental system. An image of uniqueness is perpetuated - unique because public education is said to play a fundamental role in a democratic society, and unique because education deals with children. Widespread public acceptance of these ideas has helped education to become and to remain the only public function possessing its own local governmental system, not combined with other activities and administered by general government as are other public functions. Related to this special status is the companion concept that education should be free of politics.

These "no politics" and independence characteristics do not mean politics are absent, but rather that they are of a special kind. In fact, it may well be argued that "no politics" is a tactic used by school people to obtain greater resources. Yet it is quite possible that as the public becomes increasingly concerned about the level of taxes, and as the age composition of the population changes, education's high visibility will make it more vulnerable to taxpayer resistance than those functions included in the general government system. The more frequent defeats of both school budgets and bond issues tends to support this possibility, but perhaps more important will be a growing caution on the part of school officials in the size and number of budget and bond issues they place before the electorate.

Just as votes on school budgets and bond issues spell a decline in public support for education so do public opinion polls. The evidence of both the ballot box and the pollster

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is that greatest support for education spending is associated with relative high socio-economic status voters. The decline, therefore, shown by Gallup polls from 1969 to 1972 in the support of education by people with these characteristics is particularly important. Add this decline to the relative low support by the elderly and by parents who not have children in the school, both segments of the population constituting a larger and larger proportion of the toal, and education's growing political weakness becomes comprehnsible.[13]

This weakness will affect education's ability to extract resources from all levels of government, but because of its independent governmental system at the local level and because of a lack of a supporting political structure due to its "no politics" characteristics, it is likely to have its greatest impact on the local level. Weak at the federal level because of competition from other functions and at the local level because of declining public support, the one remaining hope is state government.

State Government and Education

The dominant issue in state education's politics in recent years, primarily but entirely court inspired, is equity in the distribution of educational resources rather than the adequacy of total resources. The U. S. Supreme Court's determination by a 5 to 4 decision that the federal constitution is not violated by the district to district disparities in

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support has made the issue primarily a state one. A number of state courts have determined that state constitutions do not permit such disparities and in others legislative support for at least lessening the disparities is fairly strong. Several states have already revised their formulas for state support of education while others have such changes under active consideration. Improved foundation formulas, power equalizing devices and state assumption of the full cost of education are alternatives being considered.

Since reallocating resources is politically more difficult than distributing new monies it is generally assumed that a more equal expenditure pattern will be accomplished by increasing expenditures in low spending districts rather than by transferring funds from high to low spending districts. Thus far the addition of new resources has been the route taken but the weakening political support for this method is illustrated by the current situation in New Jersey. That state is under state court order to lessen the disparities in educational expenditures. The legislature has been unable to agree on the necessary new state taxes to accomplish that and the governor has requested the court to impose its own solution by redirecting current state aid by court order from wealthier to poorer school districts. If the districts losing aid desire to maintain current expenditures increased local taxes would be necessary.

The political difficulty states are having in redesigning their aid systems is but further evidence of education's

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political weakness. That weakness results, in part, from the same forces which affect it at the local and federal levels but probably with less force at the state level.

Competitive demands of other governmental functions are probably not as keen at the state as at the federal level. In part because the federal level is becoming the chief funder of income maintenance programs and will probably be the chief support of any national health program. Although environmental programs will compete with education for state resources, it is likely that the multi-jurisdictional characteristics of many environmental problems will necessitate federal action.

Education's chief state competitors are likely to be programs associated with urban difficulties. These include housing, transit, social services apart from income maintenance, and support for traditional municipal functions fire, police, and sanitation. Within this group education will possess a greater competitive strength than it does with the activities more predominantly federal.

The political culture of state education's decision making will play a role in education's ability to attract resources from that level of government. The pattern of local education politics is partially replicated at the state level; separation from general government is supported in most states with some kind of lay board between the governor and the state department of education. Often the chief education officer is appointed by the board rather than the governor and the state education legislative committees normally give

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lip service to the rhetoric of keeping education out of politics.

Although the legal and traditional role of the governor in education varies from state to state, gubernatorial controls over education budgets, appointments and policies are generally weak. A survey of the chairmen of state legislative education committees shows that in their opinion the most influential individual in the state with regard to changes in the state school programs is more often the chief state school officer than the governor.[14]

The relative independence of state education administrators was recently illustrated by a study of who decides how federal aid is distributed in five states: California, Massachusetts, New York, Texas and Virginia. It was found that decisions were made almost exclusively by state education department officials. No doubt the state political process, both legislative and executive, is more intimately involved in the distribution of state funds but the federal aid example is an indication of the substantial independence of many state education departments.[15]

Still, despite this relative independence, state education departments are not strong administrative units. Recent infusions of federal aid, particularly that money specifically designated for strengthening such departments, have helped, but most state education departments have a long way to go before they will be equal to most other state departments. The basic constituency of the departments includes

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organizations of school board members, school administrators, teachers and educationally interested lay groups, primarily parent organizations. When these groups present a common front they are able to have vast influence on state education policy making and probably can make a substantial contribution to increasing resources for education.

For many years these groups, as well as state legislators, had a rural orientation to which state departments of education responded. A relatively harmonious set of relationships emerged at the state level resulting in some very important innovations in the education system. State aid to rural districts increased steadily, school district consolidations were promoted, and curriculum changes were made. All changes were designed in the belief they would provide better education services.

Now this confluence of forces is disintegrating in many states; reapportioned state legislatures and top education officials are beginning to concern themselves with urban as well as rural education. Teachers groups find it increasingly difficult to make common cause with other educators, particularly school administrators and school board organizations. These changes point toward increased conflict and, therefore, a more overtly political climate for education policy making and administration.

This fragmentation of education interest groups appears to be affecting the behavior of state legislatures. for example a study in New York found that in the srea of education,

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legislators were far more apt to vote in the interest of their particular district than follow the dictates of statewide education or political groups. They believed that education and non-education groups from their own district had far more important influence on them than formal statewide interest groups. The legislators also indicated that the variety of interest groups provided them with many sources of information, eliminating heavy reliance on formal education groups. As legislators broaden their sources of information and rely less on formal organizations of educators, the influence of education professions is bound to decline and the relative powers of the legislature increase.

In summary, states appear to be at a point of transition in their education policy making. The deominance of education interest groups, primarily professional educator groups and lay groups dominated by these professionals, is declining. No single interest or cluster of interest has yet replaced them and the result to date is increased fragmentation.

As the various forces sort themselves out, the single most important development may be the growth in teacher unionization. No longer willing to trust their welfare to other educational professionals, teachers unions are increasingly willing and able to go their own way, weakening the overall position of such education professionals.

Some students of education politics argue that it is the power of unionization which will serve to provide education with the political muscle needed to attract increasing educa-

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cational resources. Although the evidence is not definitive on this point and economists argue among themselves about the relation between unionization and wage levels, particularly when unions are not in control of entry to their field and teachers' unions are not, the performance of teacher pay over the past two decades indicate inadequacy of supply plays a more significant role in determining pay than unionization. Comparing average annual increases in teachers' pay to pay for all workers and to the earning of other public sector employees shows that teachers did their best from 1955 to 1960 when their annual increase was 132.6 percent of all workers while the comparable percentage for all public workers (including teachers) was 109.3. From 1970 to 1973 teachers' average annual pay increase was only 90.5 percent of the increase for all workers, while for all public employees their average annual increase was 123.8 percent of the similar increases for all workers.[16]

Significantly teacher pay increases declined relative to that of other public workers at the time teaching unionization was growing. Other factors obviously played a role in this behavior pattern, perhaps even the increasing unionization of other public employees, but it does suggest there is no automatic relationship between pay increases and the degree of unionization.

Nevertheless the increased unionization of teachers will give them a place at the bargaining table and, more important, a more decisive role in education politics. This

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increased political role will probably be felt most keenly by state politicians. The fairly even spread of teachers relative to population across a state can give them the determining vote in closely fought ra s. This potential is enhanced by the decline in the significance of party labels to voting behavior. Although Congressional candidates will also respond to the organized voice of teachers, the greater competition from other groups at the federal level is likely to make teachers' influence less in Washington than in state capitals.

Table VIII

AVERAGE ANNUAL INCREASE IN EARNINGS FOR GOVERNMENT WORKERS AS A PERCENTAGE OF THE INCREASE FOR ALL WORKERS 1955 - 73

	1955-60	1960-65	1965-70	1970-73
All government	109.3	107.9	119.0	123.8
Federal civilian	118.6	139.5	115.5	115.9
State & local Gov't	114.0	115.8	117.2	101.6
Public Education	132.6	110.5	117.2	90.5
Non-school	97.7	121.1	117.2	114.3

By level of government, therefore it seems likely that despite its weaknesses education's greatest opportunity exists at the state level. Nonetheless, even at this level the struggle for resources with other functions of government is likely to be intense.

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Less for Education

The generalizations drawn from this analysis have been stated. Sufficient here to add that despite an inevitable time lag in adjusting resources to declining enrollments the resource adjustment is likely to exceed the drop in enrollment. The short term response of school districts to this decline indicates, according to the New York State Department of Education an inability;

> . . . to adjust their expenditures proportionately to the decline in pupils and, therefore, on a per pupil basis their expenditures per pupil increase more drastically than do those in districts with little change in enrollment or districts with increasing enrollment. Part of the reason for this, of course, is that basic costs such as operation and maintenance of the plant do not change materially with changes in pupil enrollment. More important, it is difficult to reduce the professional staff because normally the decrease in pupils would be spread across the complete grade spectrum of the school district, thus eliminating the possibility of removing a teacher when a reduction of 25 pupils in enrollment occurs. [17]

It is argued here that this kind of response will be very short term and that the past increases in education resources will become a thing of the past and education's share of the nation's total resources will decline more than enrollment declines. Only by convincing the public that education can and is making a substantial contribution to the solution of the nation's problems will educator's be able to alter that outcome. Today a large part of the public agree instead with a conclusion drawn from a survey

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of the educationresearch of the past decade that, "There seems to be opportunities for significant redirections and in some cases reductions in education expenditures without deterioration in educational outcomes." [18]

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FOOTNOTES

[1]Reischauer, Robert D., and Robert W. Hartman, with the assistance of Daniel J. Sullivan, Reforming School Finance, The Brookings Institution, Washington, D.C., 1973, pp. 17-39.

[2]Ibid, p. 20.

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[4]Ibid

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[6]Ott, David J., et al. Public Claims in U.S. Output, American Enterprise Institute for Public Policy Research, Washington, D.C., 1973, p. 11-29.

[7]Ibid, p. 113-152.

[8]Ibid.

[9]Burkhead, Jesse, "Economics and Public Policy," Maxwell: News and Notes, Fall 1974, p. 19. Much of the economic analysis used here is drawn from this article.

[10]Heilbroner, Robert L., An Inquiry Into The Human Prospect, Norton Press, N.Y., 1974.

[11]For a description of the Phillips curve concept see - Phillips, A.W., "The Relation Between Unemployment and the Rate of Change of Money Wage Rates in the United Kingdom, 1862-1957," Economica, 1958, pp. 252-299.

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[13]Piele, Philip K. and John Stuart Hall, Budgets, Bonds, and Ballots: Voting Behavior in School Financial Elections, Lexington Books, Lexington, Mass, 1973 - See appendix for summary of Gallup Polls.

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[15]Berke, Joel S. and Michael W. Kirst, Federal Aid to Education - Who Benefits? Who Governs? D. C. Heath, Lexington, Mass., 1972.

[16]Advisory Commission on Intergovernmental Relations, "Trends in Fiscal Federalism" (a staff compilation - Mimeo), October 29, 1974.

[17]New York State Education Dept., "1974-75 Cooperative Studies in Education Finance: Study #3: Declining Enrollments (Mimeo) Nov. 1974.

[18]Averch, Harvey A., et al, How Effective is Schooling? Done for the President's Commission on School Finance by The Rand Institute, Santa Monica, Calif., 1972, p. XIII.